

Executive Summary

This presentation will identify the primary cause of poverty in Guatemala and analyze Mercy Corps' innovative solution to the problem. It will also review Mercy Corps' mission, successful strategy and operational efficiency, which differentiate it from smaller-scale NGOs working in this country.

Mercy Corps is an international organization dedicated to fighting poverty

Since its founding in 1979, Mercy Corps has provided over \$1.3 billion in assistance to over 100 nations. Its mission is to "alleviate suffering, poverty, and oppression by helping people build secure, productive and just communities". It currently operates in 35 countries, focusing on transitioning areas. In Guatemala, Mercy Corps has been working since 1996 to accelerate rural development, utilizing teams consisting of Guatemalan natives. While its focus is to resolve land conflict, it also attempts to improve health systems and engage youth in HIV/AIDS awareness.

Unequal land distribution is the biggest cause of Guatemalan poverty

At present, Guatemala is the only country in Central America that lacks a proper land registry system. Therefore, several titleholders claim ownership over the same land. This leads to expensive battles, but since the poor cannot afford to pay legal fees, the land usually stays in the hands of the wealthy landowners. Because 2.5% of wealthy landowners own over 50% of land, wealth is concentrated among them, and the poor barely make enough income to survive.

Mercy Corps uses mediation to resolve land conflict

The first step that Mercy Corps takes in resolving the land distribution problem is by bringing the farmers and landlords to the negotiation table and serving as an impartial mediator during negotiation. The goal is to reach a definitive agreement on who owns the property and how the farmers can pay for the land. This method of land distribution benefits all parties because it reaches resolution in a peaceful way and reduces resentment.

Partnerships provide farmers with greater access to markets

Previously, Guatemalan farmers sold low value-added goods in the local marketplace, where their profits were cut by multiple middlemen. Mercy Corps partners with large corporations like Wal-Mart to give farmers' access to larger markets in which they can get a higher return on their products. There is greater knowledge sharing between the farmers and the markets, which allows farmers to grow high-value produce. The result is greater financial and social opportunity for farmers.

High standards of operational efficiency set Mercy Corps apart

Although it is a large multinational organization, it is still highly regarded for its financial and operational efficiency. With only 12% of all expenses going towards fundraising and administrative expenses, Mercy Corps spends the remaining 88% of expenses on its various programs. Compared to most other philanthropic organizations, Mercy Corp's scale and efficiency allow it to produce high-value results at a lower cost.